

JAN 25 2012

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# A BILL FOR AN ACT

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RELATING TO EMPLOYMENT SECURITY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

SECTION 1. Section 383-22, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) ~~[In the case of an individual whose benefit year begins prior to January 5, 1992, the individual's weekly benefit amount shall be, except as otherwise provided in this section, an amount equal to one twenty fifth of the individual's total wages for insured work paid during the calendar quarter of the individual's base period in which such total wages were~~

~~highest.]~~ In the case of an individual whose benefit year begins after January 4, 1992, the individual's weekly benefit amount shall be, except as otherwise provided in this section, an amount equal to one twenty-first of the individual's total wages for insured work paid during the calendar quarter of the individual's base period in which such total wages were highest.

The weekly benefit amount, if not a multiple of \$1, shall be computed to the next higher multiple of \$1. If an individual's weekly benefit amount is less than \$5, it shall be \$5. The maximum weekly benefit amount shall be determined annually as



1 follows: On or before November 30 of each year the total  
2 remuneration paid by employers, as reported on contribution  
3 reports submitted on or before such date, with respect to all  
4 employment during the four consecutive calendar quarters ending  
5 on June 30 of the year shall be divided by the average monthly  
6 number of individuals performing services in the employment  
7 during the same four calendar quarters as reported on the  
8 contribution reports. The amount thus obtained shall be divided  
9 by fifty-two and the average weekly wage (rounded to the nearest  
10 cent) thus determined. ~~[For benefit years beginning prior to~~  
11 ~~January 1, 1992, two thirds of the average weekly wage shall~~  
12 ~~constitute the maximum weekly benefit amount and shall apply to~~  
13 ~~all claims for benefits filed by an individual qualifying for~~  
14 ~~payment at the maximum weekly benefit amount in the benefit year~~  
15 ~~commencing on or after the first day of the calendar year~~  
16 ~~immediately following the determination of the maximum weekly~~  
17 ~~benefit amount.]~~ For benefit years beginning January 1, 1992,  
18 but prior to January 1, 2008, and beginning again on January 1,  
19 2012, seventy per cent of the average weekly wage shall  
20 constitute the maximum weekly benefit amount and shall apply to  
21 all claims for benefits filed by an individual qualifying for  
22 payment at the maximum weekly benefit amount in the benefit year



1 commencing on or after the first day of the calendar year  
 2 immediately following the determination of the maximum weekly  
 3 benefit amount. For benefit years beginning January 1, 2008,  
 4 and ending December 31, 2011, seventy-five per cent of the  
 5 average weekly wage shall constitute the maximum weekly benefit  
 6 amount and shall apply to all claims for benefits filed by an  
 7 individual qualifying for payment at the maximum weekly benefit  
 8 amount in the benefit year commencing on or after the first day  
 9 of the calendar year immediately following the determination of  
 10 the maximum weekly benefit amount. The maximum weekly benefit  
 11 amount, if not a multiple of \$1, shall be computed to the next  
 12 higher multiple of \$1.

	(Column A)	(Column B)	(Column C)	(Column D)
	High	Basic	Minimum	Maximum
	Quarter	Weekly	Qualifying	Total Benefits
	Wages	Benefit	Wages	in Benefit Year
18	\$ 37.50 - 125.00	\$ 5.00	\$ 150.00	\$ 130.00
19	125.01 - 150.00	6.00	180.00	156.00
20	150.01 - 175.00	7.00	210.00	182.00
21	175.01 - 200.00	8.00	240.00	208.00
22	200.01 - 225.00	9.00	270.00	234.00
23	225.01 - 250.00	10.00	300.00	260.00
24	250.01 - 275.00	11.00	330.00	286.00
25	275.01 - 300.00	12.00	360.00	312.00
26	300.01 - 325.00	13.00	390.00	338.00
27	325.01 - 350.00	14.00	420.00	364.00
28	350.01 - 375.00	15.00	450.00	390.00
29	375.01 - 400.00	16.00	480.00	416.00
30	400.01 - 425.00	17.00	510.00	442.00
31	425.01 - 450.00	18.00	540.00	468.00



1	450.01 - 475.00	19.00	570.00	494.00
2	475.01 - 500.00	20.00	600.00	520.00
3	500.01 - 525.00	21.00	630.00	546.00
4	525.01 - 550.00	22.00	660.00	572.00
5	550.01 - 575.00	23.00	690.00	598.00
6	575.01 - 600.00	24.00	720.00	624.00
7	600.01 - 625.00	25.00	750.00	650.00
8	625.01 - 650.00	26.00	780.00	676.00
9	650.01 - 675.00	27.00	810.00	702.00
10	675.01 - 700.00	28.00	840.00	728.00
11	700.01 - 725.00	29.00	870.00	754.00
12	725.01 - 750.00	30.00	900.00	780.00
13	750.01 - 775.00	31.00	930.00	806.00
14	775.01 - 800.00	32.00	960.00	832.00
15	800.01 - 825.00	33.00	990.00	858.00
16	825.01 - 850.00	34.00	1020.00	884.00
17	850.01 - 875.00	35.00	1050.00	910.00
18	875.01 - 900.00	36.00	1080.00	936.00
19	900.01 - 925.00	37.00	1110.00	962.00
20	925.01 - 950.00	38.00	1140.00	988.00
21	950.01 - 975.00	39.00	1170.00	1014.00
22	975.01 -1000.00	40.00	1200.00	1040.00
23	1000.01 -1025.00	41.00	1230.00	1066.00
24	1025.01 -1050.00	42.00	1260.00	1092.00
25	1050.01 -1075.00	43.00	1290.00	1118.00
26	1075.01 -1100.00	44.00	1320.00	1144.00
27	1100.01 -1125.00	45.00	1350.00	1170.00
28	1125.01 -1150.00	46.00	1380.00	1196.00
29	1150.01 -1175.00	47.00	1410.00	1222.00
30	1175.01 -1200.00	48.00	1440.00	1248.00
31	1200.01 -1225.00	49.00	1470.00	1274.00
32	1225.01 -1250.00	50.00	1500.00	1300.00
33	1250.01 -1275.00	51.00	1530.00	1326.00
34	1275.01 -1300.00	52.00	1560.00	1352.00
35	1300.01 -1325.00	53.00	1590.00	1378.00
36	1325.01 -1350.00	54.00	1620.00	1404.00
37	1350.01 and over	55.00	1650.00	1430.00."

38           SECTION 2.   Section 383-68, Hawaii Revised Statutes, is  
39 amended by amending subsection (c) to read as follows:



1       "(c) Effective with calendar year 1992 and thereafter,  
2 before December 31 of the previous year the contribution rate  
3 schedule for the following calendar year shall be determined on  
4 the basis of the relationship between the most recent current  
5 reserve fund and the most recent adequate reserve fund, in  
6 accordance with this subsection and subsection (d).

7       (1) Whenever the ratio of the current reserve fund to the  
8 adequate reserve fund is greater than 1.69,  
9 contribution rate schedule A shall apply.

10       (2) Whenever the ratio of the current reserve fund to the  
11 adequate reserve fund is 1.3 to 1.69, contribution  
12 rate schedule B shall apply.

13       (3) Whenever the ratio of the current reserve fund to the  
14 adequate reserve fund is 1.0 to 1.29, contribution  
15 rate schedule C shall apply.

16       (4) Whenever the ratio of the current reserve fund to the  
17 adequate reserve fund is .80 to .99, contribution rate  
18 schedule D shall apply.

19       (5) Whenever the ratio of the current reserve fund to the  
20 adequate reserve fund is .60 to .79, contribution rate  
21 schedule E shall apply.



(6) Whenever the ratio of the current reserve fund to the adequate reserve fund is .40 to .59, contribution rate schedule F shall apply.

(7) Whenever the ratio of the current reserve fund to the adequate reserve fund is .20 to .39, contribution rate schedule G shall apply.

(8) Whenever the ratio of the current reserve fund to the adequate reserve fund is less than .20, contribution rate schedule H shall apply.

Notwithstanding the ratio of the current reserve fund to the adequate reserve fund, contribution rate schedule D shall apply for calendar year 2010 and contribution rate schedule F shall apply for calendar ~~[year]~~ years 2011[-], 2012, and 2013."

SECTION 3. (a) Notwithstanding any law to the contrary, the director of finance shall maintain \$20,000,000 in a separate account in the general fund from which loans may be made to the unemployment compensation fund pursuant to section 383-121, Hawaii Revised Statutes, between March 1, 2012, and June 1, 2013, and into which loan repayments shall be deposited.

(b) Upon the written request of the director of labor and industrial relations for a loan pursuant to this section, the director of finance shall transfer the requested loan from the



1 applicable account in the general fund to the unemployment  
2 compensation fund.

3 After the transfer of the loan into the unemployment  
4 compensation fund, the director of labor and industrial  
5 relations shall use the loan proceeds to pay unemployment  
6 benefits or administrative expenses pursuant to chapter 383,  
7 Hawaii Revised Statutes.

8 (c) Before June 29, 2013, the director of labor and  
9 industrial relations shall repay the loan from funds in the  
10 unemployment compensation fund that are not necessary to pay  
11 unemployment benefits or administrative expenses. No interest  
12 shall be paid or charged on any loan made under the section.

13 The director of finance shall deposit all loan repayments  
14 into the applicable account in the general fund.

15 (d) On June 30, 2013, the director of finance shall  
16 deposit the \$20,000,000 of general revenues made available for  
17 loans pursuant to this section from the account established  
18 under subsection (a) into the emergency and budget reserve fund  
19 pursuant to section 328L-3, Hawaii Revised Statutes. After the  
20 deposit, the account shall be abolished.

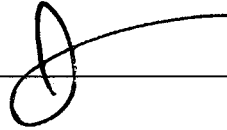
21 SECTION 4. Statutory material to be repealed is bracketed  
22 and stricken. New statutory material is underscored.



1           SECTION 5. This Act shall take effect upon its approval  
2 and shall apply retroactively to January 1, 2012.

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INTRODUCED BY: \_\_\_\_\_

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# S.B. NO. 3018

**Report Title:**

Employment Security; Weekly Benefit Amounts; Contribution Rate Schedules; Unemployment Compensation Fund

**Description:**

Sets the employer contribution rate at schedule F for calendar years 2012 and 2013; makes available a line of credit of general revenues for the unemployment compensation fund between 03/01/12 and 06/01/13; requires the general fund to be repaid for all general revenues loaned to the unemployment compensation fund before 06/29/13; requires the repaid revenues to be transferred to the emergency and budget reserve fund on 06/30/13; and applies retroactively to 01/01/12.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

